

THIS GROUND LEASE ("Lease") is made and entered into effective this 10th day of July, 2003, by and between the City of Tallahassee, a Florida municipal corporation (hereinafter the "City"), and Renaissance Partners LLC, a Florida limited liability company (hereinafter "Lessee").

WHEREAS, the City owns or leases certain real property located at Tallahassee, Leon County, Florida in the 400-block of Macomb Street ("Property"), which is more particularly described in **Exhibit A** attached hereto and by reference incorporated herein; and,

WHEREAS, City has developed and initiated a revitalization strategy for the Frenchtown community, in which the Property is located, including a focused effort to revitalize the main commercial corridor of the community; and,

WHEREAS, Lessee, as a part of implementing that strategy, intends to design and construct a certain office building and parking garage on the Property (the "Development"); and,

WHEREAS, Lessee desires to lease from the City, and the City desires to lease to Lessee, the Property pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and promises set forth herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the City and Lessee hereby agree as follows:

1.0 Lease of Property.

- 1.1 The City does hereby lease, let, and devise to Lessee, for use as set forth herein, the Property.
- 1.2 The parties acknowledge that the City intends, but shall not be obligated, to acquire certain parcels adjacent to the Property for use by Lessee as part of the Development. Those parcels are depicted as Parcels 1 and 2 on **Exhibit B**, attached hereto and by reference incorporated herein. If the City acquires such parcels, it will give written notice of such acquisition to Lessee and, effective on the date of such notice, the description of the Property will be deemed amended to include such parcels, as set forth in **Exhibit C**, attached hereto and by reference incorporated herein

2.0 Use of the Property.

- 2.1 Lessee shall use and maintain the Property for construction, maintenance, and operation of the Development. The City shall have the right, but not the obligation, to declare Lessee in default of this Lease should Lessee, at any time during the Term, (i) fail to continuously and actively use the Property for the purposes permitted by this Section or (ii) use the Property for any other purposes.
- 2.2 Lessee acknowledges that the City is the lessee of a portion of the Property, under a certain Lease Agreement between Carrie B. Hoffman and the City dated July 29, 1996 (a copy of which lease is attached as **Exhibit D** hereto and is by

reference incorporated herein), and that its use of the affected portion of the Property, which the City hereby subleases to Lessee and Lessee hereby subleases from the City, shall be subject to its compliance with the terms and conditions of such lease. Lessee further agrees to comply, at its sole cost and expense, with all terms and conditions of such lease, including without limitation the payment of all rent and other amounts that may become due and payable to the named lessor during the term of this Lease.

- 2.3 Use and development of the Property by Lessee, and the rights granted to Lessee by this Lease, shall also be subject to and conditioned upon compliance by Lessee with all terms and conditions of that certain Agreement for Development of Frenchtown Renaissance Center between the City and Lessee ("Development Agreement"), a copy of which is attached as Exhibit E hereto and is by reference incorporated herein.

- 3.0 Term. The Term of this Lease shall begin on the effective date first written above and shall end at midnight on the ninety second (92nd) anniversary of that date.

- 4.0 Rent. Lessee agrees to pay to the City, as rent for the Property, the following amounts:

- (i) \$10.00 per year, payable annually, for the first five (5) years of the Term;
- (ii) \$36,708.00 per year, or \$3,059.00 per month, payable quarterly for the next 50 years, and
- (iii) \$10.00 per year payable annually, for the remainder of the Term,

plus all applicable sales and other taxes due on all such amounts. If the City acquires and adds to the Property that certain Parcel 1, as described in Section 1.2 and as depicted on Exhibit B, then the rent payable under (ii) above shall increase to \$40,572.00 per year, or \$3,381.00 per month. This increase shall be effective upon the date the City gives written notice of such acquisition to Lessee as provided in Section 1.2. There will be no adjustment to the amount of rent if the City acquires and adds to the Property that certain Parcel 2, as described in Section 1.2 and as depicted on Exhibit B. Such rent shall be paid, in advance, on a quarterly basis. The initial payment of rent under (i) above, shall be made upon execution of this Lease, and subsequent payments, under (ii) above, shall be made on or before the first day of each ensuing quarter after the first five (5) years. Lessee may deduct from rent payments otherwise due the City, under (ii) above, the periodic rent payments made by Lessee under the lease described in Section 2.2 above for the same period. All payments shall be accompanied by such remittance information or documentation as the City may require.

- 5.0 Non-Assignment. The Lessee shall not assign any interest in this Lease or sublease all or any portion of the Property without the prior written consent of the City, which may be given or withheld at its sole discretion. Notwithstanding the foregoing, Lessee may conditionally assign its interest under this Lease as collateral for construction and permanent financing of the Development.

- 6.0 Condition of Property. The City will deliver the Property to Lessee, in "AS IS" condition, without any warranties as to condition of the property, suitability of the property for the purposes intended by Lessee, or title to the property, except as set forth in the Development Agreement, upon execution hereof and payment of the initial lease payment.

7.0 Development and Use Restrictions.

- 7.1 Lessee acknowledges and understands that development of, and construction of improvements on, the Property shall be subject to the terms, conditions, and requirements of the Development Agreement.
- 7.2 In its development and use of the Property, Lessee shall comply with all applicable laws, statutes, ordinances, rules, and regulations (as the same exist or are amended from time to time) of any governmental entity having jurisdiction over such development or use.
- 7.3 Lessee further acknowledges and understands that its use of the Property may be subject to the terms and conditions of other agreements between the parties, as described in Section 29.0, and that it shall comply with all such terms and conditions.

8.0 Maintenance and Repair. The City shall have no responsibility for security, operation, cleanliness, maintenance, or repair of the Development. Throughout the Term, Lessee shall, without any cost or expense to the City,

- a) take reasonable care of, and keep in satisfactory condition and repair, or cause the same to be done, inside and out, all improvements constructed or located on or within the Property, and all alterations, additions and improvements therein or thereon, and the roofs and foundations thereof, all building service equipment, and all other fixtures, machinery and equipment installed and owned by Lessee, now or hereafter, on or within the Property, or used in their operation;
- b) promptly pay or cause the payment of the expense of such repairs properly made and timely delivered;
- c) keep all areas and improvements located on or within the Property reasonably free from dirt and rubbish.

When used in this Lease, the term "repairs" as applied to building service equipment shall include replacements, restoration and renewals when necessary. Lessee shall permit the City and any authorized representative of the City to enter the Property and the improvements thereon at all reasonable times during usual business hours for the purpose of inspecting the same and of making any necessary repairs to the Property and to the improvements, and of performing any work therein that may be necessary to comply with any governmental regulations, or that may be necessary to prevent waste or deterioration in connection with the Property, which Lessee is obligated, but has failed, to make, perform, or prevent, as the case may be; provided that, in the case of any such entry to make repairs, to perform work or to prevent waste or deterioration, the City shall not have such right to enter the Property for such purposes unless Lessee shall have failed to perform its obligations hereunder prior to the expiration of ten (10) days after written notice from the City to Lessee specifying the nature of Lessee's failure to perform. Nothing in this Lease shall imply any duty or obligation upon the part of the City to do any such work or to make any alterations, repairs (including, but not limited to, repairs and other restoration work made necessary due to any fire, other casualty or partial condemnation, irrespective of the sufficiency or availability of any fire or other insurance or any award in condemnation, which may be payable in respect thereof), additions or improvements of any kind whatsoever to the Property or to any associated improvements.

The performance thereof by the City shall not constitute a waiver of Lessee's default in failing to perform the same.

- 9.0 Utility Services. The City shall extend electrical, gas, water, and sewer utility services to the boundaries of the Property; however, the City shall have no further responsibility for supplying utility services to the Property or for paying the ongoing cost thereof. Lessee will be responsible for payment of all tap fees, permit fees, systems charges, and impact fees, of any kind, not otherwise waived by the assessing authority. Lessee will be responsible for design and construction, and all associated costs, of the conveyance system required to transport stormwater from the Property to stormwater holding or retention facilities designated by the City.

10.0 Insurance.

10.1 *Required Insurance Coverage and Limits*

At all times from the effective date of this Lease and during the full term, Lessee shall keep and maintain the following:

- (a) *Commercial General Liability Insurance* - \$2,000,000 limit per occurrence for property damage and bodily injury issued on an occurrence basis. The insurance shall include coverage for the following:
 - i. Premise/Operations
 - ii. Explosion, Collapse and Underground Property Damage Hazard (only when applicable to the project)
 - iii. Products/Completed Operations
 - iv. Contractual
 - v. Independent Lessees
 - vi. Broad Form Property Damage
 - vii. Personal Injury
- (b) *Business Automobile/Umbrella Liability Insurance* - \$1,000,000 limit per accident for property damage and personal injury regarding all of the following:
 - i. Owned/Leased Autos
 - ii. Non-owned Autos
 - iii. Hired Autos
- (c) *Workers' Compensation and Employers' Umbrella Liability Insurance* - Workers' Compensation statutory limits as required by Chapter 440, Florida Statutes. This policy should include Employers' Umbrella Liability Coverage for \$1,000,000 per accident.
- (d) *Property Insurance* - Full replacement value of all insurable improvements located on or within the Property, including without limitation all associated appurtenances and equipment. The City shall be named as an additional insured as its interests may appear.
- (e) *All-Risk Builders' Risk Insurance* - Coverage shall be required for construction of all improvements on the Project Site and shall be written on a standard "all-risk basis" covering real and personal property of the Project equal to one hundred percent (100%) replacement value,

including without limitation perils such as fire, collapse, flood, vandalism, hurricane, or earthquake.

10.2 *Other Insurance Provisions*

- (a) *Commercial General Liability and Automobile Liability Coverages*
 - (i) City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Lessee; products and completed operations of Lessee; and premises owned, leased or used by Lessee. The coverage shall contain no special limitations on the scope of protection afforded to City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers.
 - (ii) The Lessee's insurance coverage shall be primary insurance as respects City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers. Any insurance or self-insurance maintained by City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers shall be excess of Lessee's insurance and shall not contribute with it.
 - (iii) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers.
 - (iv) Coverage shall state that Lessee's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (b) *Workers' Compensation and Employers' Liability and Property Coverages*

The insurer shall agree to waive all rights of subrogation against City, member of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers for losses arising from activities and operations of Lessee in the performance of Services under this Agreement.
- (c) *All Coverages*
 - (i) Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to City in accordance with this Agreement.
 - (ii) If Lessee, for any reason, fails to maintain insurance coverage that is required pursuant to this Lease, the same shall be deemed a material breach of the Lease. City, at its sole option, may terminate this Lease and obtain damages from Lessee resulting from said breach.
 - (iii) Alternatively, City may purchase such required insurance coverage (but has no obligation to do so), and, within five (5)

days following receipt of written notice that City has purchased such coverage, Lessee shall reimburse City for all premium costs advanced by City for such insurance.

(iv) City shall be named as an additional insured.

(d) *Deductibles and Self-Insured Retentions*

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects City, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers; or Consultant shall procure a bond guaranteeing payment of losses, related investigation, claim administration and defense expenses.

(e) *Acceptability of Insurers*

Insurance is to be placed with Florida admitted insurers rated B+X or better by *A.M. Best's* rating service.

(f) *Verification of Coverage*

Lessee shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be submitted prior to execution of the Lease by Lessee (or, with regard to All-Risk Builder's Risk, prior to commencement of any construction activities on the Property).

(g) *Cancellation*

All certificates of insurance must read as follows: "Cancellation: Should any of the above described policies be canceled before the expiration date thereof, the issuing company with mail 30 days written notice to the named certificate holder."

11.0 Damage or Destruction of Property. Lessee's responsibilities in relation to damage to or destruction of the Improvements, and the City's rights in that regard, are as follows:

11.1 If during the Term, any improvements on the Property shall be destroyed or damaged in whole or in part by fire, lightning, storms, earthquakes, sinkholes, or any other hazard or cause, except condemnation, and whether or not such destruction or damage is covered by insurance, Lessee shall give to the City prompt notice thereof, and shall promptly and diligently repair, replace and rebuild the same or cause the same to be repaired, replaced or rebuilt, so that upon completion thereof the improvements and building service equipment shall have been restored to substantially the condition they were in prior to such occurrence, including any alterations or additions thereto elected to be constructed by Lessee pursuant to the terms of this Lease as part of such restoration (hereinafter referred to as "Restoration"), and the City shall in no event be called upon to repair, replace or rebuild the Improvements or any part thereof.

11.2 The proceeds of insurance recovered on account of the loss or casualty causing any such destruction or damage, net after reasonable expenses of recovering

same (the "Net Proceeds"), shall be applied by the party receiving the same to the cost of any Restoration.

- 11.3 Upon completion of any Restoration, a set of the "as restored" plans shall be delivered to the City by Lessee.
- 11.4 This Lease shall not terminate or be affected in any manner by reason of damage to or total, substantial or partial destruction of any improvements or the building service equipment, or by reason of the untenability thereof or any part thereof, except in the case where the parties mutually agree that it is not the most expeditious, feasible, and fiscally responsible course of action to restore the affected improvements within the Property. The rent reserved herein, and all other charges, shall be paid by Lessee in accordance with the agreements, terms, covenants and conditions hereof, notwithstanding the happening of any such event, without any claim for any abatement, refund, diminution or reduction whatsoever.

12.0 Control and Inspection of Property, Negligence, and Indemnification.

- 12.1 Lessee shall be in control of all improvements located on the Property, and the City, except in case of acts or omissions of its employees for which it would be liable under Florida law, shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about such improvements or appurtenances thereto, or for any injury or damage to such improvements, or to the Property, whether belonging to Lessee or any other person, caused by any act, omission, or event whatsoever. The City, at all reasonable times, may enter into and upon the Property, and improvements located on the Property, for the purposes of viewing the same. Any provisions hereof permitting City to enter and inspect improvements constructed on the Property are made for the purpose of enabling the City to become informed as to whether Lessee is complying with this Lease and the terms, covenants, and conditions hereof, and enabling the City to do, but not obligating the City to do, such acts as Lessee shall fail to do. Lessee shall include provision in all subleases preserving such rights of the City with respect to the premises subject to such subleases.
- 12.2 Lessee shall protect, defend, indemnify and save the City, its officials, officers, and employees, harmless from and against all liability, judgments, claims, demands, suits, actions, losses, penalties, fines, damages, costs and expenses, including reasonable attorneys' fees, of any kind or nature whatsoever, due to or arising out of or from the following:
- (a) any breach, violation or nonperformance of any covenant, condition, provision or agreement in this Lease on the part of Lessee to be fulfilled, kept, observed and performed, and
 - (b) claims of every kind or nature, arising out of the use or occupation by Lessee or its tenants of the Property or any improvements located on the Property, including, without limitation, any damage to property occasioned or arising out of the use or occupation thereof by Lessee or by any sublessee, subtenant or assignee of Lessee, or by any guest or invitee of any of them, any injury to any person or persons, including

death resulting at any time therefrom, occurring in or about the Property or any improvements located on the Property. The Lessee shall further cause all assignees and sublessees of the Property or any Improvements, or any portion of either, to so indemnify and hold the City, its officials, officers, and employees, harmless to the fullest extent permitted by law and shall have such obligation set forth and executed in a form acceptable to the City.

This obligation of Lessee shall not extend to any acts or omissions of the City or its officials, officers, or employees, including acts or omissions related to use by the City of any portion of improvements within the Property pursuant to a lease for such use between Lessee herein and the City.

13.0 Taxes and Assessments.

13.1 Lessee covenants and agrees with the City that Lessee shall timely pay, throughout the Term, all taxes, assessments, utilities, rents, rates and charges, excises, levies, licenses and permit fees, and other governmental charges and assessments of any kind, both general and special, ordinary and extraordinary, foreseen and unforeseen, or imposed by any governmental authority, which at any time during the Term may be (i) assessed or imposed upon the City or (ii) assessed, levied, imposed upon or arise or become due and payable out of or in respect of, or as a result of, or become a lien on, the Property, any improvement located on the Property, any part thereof or any appurtenance thereto, or any use thereof by Lessee or its tenants (hereinafter referred to collectively as "Impositions"). All Impositions shall be paid directly to the taxing or assessing authority, before any fine, penalty, interest, or cost may be added thereto, or become due or be imposed by operation of law, for the nonpayment thereof.

13.2 If Lessee desires to contest the amount or validity of any Impositions, Lessee may do so without being in default hereunder as to Lessee's obligations to pay Impositions. Permission to file such a contest shall be conditioned upon Lessee giving the City notice of Lessee's intention to do so and furnishing the City with a bond or other form of security, in a form and issued by an entity acceptable to the City, in the amount of one and one-half (1.5) times the amount of the Impositions intended to be contested. Such security shall be conditioned to pay such tax or tax items when the validity thereof shall have been determined and shall be given by Lessee to the City, not later than 15 days prior to the date on which the Impositions proposed to be contested would otherwise become delinquent. Lessee shall also pay, directly to the proper authorities charged with the collection thereof and from time to time as the same shall become due, all charges for water, sewer, gas, electricity, telephone and other utilities or services used or consumed on the Property or in any improvements located on the Property, whether called a charge, tax, assessment, fee or otherwise.

13.3 In the event that Lessee shall fail, refuse, or neglect to either make any or either of the payments in this paragraph required, or to contest the payment of any such amounts as permitted in this paragraph, then the City (without limitation as to any of the City's other remedies hereunder) may, but shall not be required to, pay the same, after having given Lessee not less than ten (10) days prior written notice of such intent, and the amount or amounts of money so paid shall be

9 18⁵

repaid by Lessee to the City, upon the demand of the City, as additional rent. Such additional rent shall also include reasonable attorneys' fees and expenses, which were incurred by the City because of or in connection with such payments, and interest on all such amounts at a rate equal to the maximum legal interest rate. The payment of all such amounts due the City may be collected or enforced by the City in the same manner as though such amounts were an installment of rent specifically required by the terms of this Lease to be paid, by Lessee to the City, upon the day when the City demands repayment or reimbursement of the same from Lessee. The election of the City to pay such Impositions, taxes, or charges shall not waive any default under this Lease which may have been committed by Lessee in connection with such failure to pay such taxes, or charges.

14.0 Legal Requirements.

- 14.1 Lessee shall comply with all applicable laws, statutes, ordinances, orders, rules, regulations, and requirements of federal, state, and local governments and appropriate departments, commissions, boards, and officers of these governments ("Legal Requirements") throughout the Term.
- 14.2 Lessee shall promptly comply with these Legal Requirements whether they are foreseen or unforeseen, ordinary or extraordinary, but shall have the right, after prior written notice to the City, to contest the validity of any Legal Requirements by appropriate legal proceedings, provided that the City will not be subject to any criminal or civil liability as a result of any such legal contest. Lessee shall indemnify and hold the City, its officials, officers, and employees, harmless from all loss, claims, and expenses, including reasonable attorney's fees, as a result of Lessee's failure to comply with Legal requirements or any contest relating to Legal Requirements.

15.0 Liens and Encumbrances.

- 15.1 Lessee shall not create, permit, or suffer any mechanics' or other liens or encumbrances on or affecting the Property or the fee estate, or other interests, of the City or of any other owner. If any lien or encumbrance shall at any time be filed or imposed against the Property, the fee estate, or any other interests of the City or of any other owner, Lessee shall cause the lien or encumbrance to be discharged of record within thirty days after notice of the filing or imposition by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise permitted by law. The City shall not be liable for any labor, services, or materials furnished or to be furnished to Lessee or to any sublessee in connection with any work performed on or at the Property, and no mechanic's lien or other lien or encumbrance for any labor, services, or materials shall attach to or affect the fee estate or other interests of the City or any other owner. Construction, permanent, and other financing documents, including but not limited to construction loan agreement, mortgage and security agreement, shall encumber only Lessee's leasehold interest in the Property, and the fee interest and other rights of the City, and other owners of the Property, shall not be affected by the terms of such documents. A specific provision to such effect shall be included in the memorandum of lease prepared and recorded pursuant to Section 31.0.

15.2 If Lessee shall fail to cause the lien or encumbrance to be so discharged, then in addition to any other right or remedy of the City, the City shall be entitled but not obligated to discharge the lien or encumbrance either by paying the amount claimed to be due or by procuring the discharge by deposit or by bonding proceedings. In any event, the City shall be entitled to compel the prosecution of an action for the foreclosure of any lien or encumbrance by the lienor and to pay the amount of the judgment for and in favor of the lienor with interest, cost, and allowances if the City elects to take this action. All amounts paid by the City and all of its costs and expenses in connection with the actions taken by the City, including court costs, reasonable attorney's fees, and interest at the highest legal rate in effect at the time these monies are due, shall be deemed to be additional rent under this Lease and shall be paid by Lessee to the City promptly on demand by the City.

16.0 Extension of the Term. The Term may be extended by mutual agreement of the parties upon such terms and conditions as may be negotiated by the parties. Each party agrees to negotiate in good faith with the other should a request for such extension be made by either party.

17.0 Default by Lessee.

17.1 In the event that Lessee should fail to observe or perform, or cause to be observed or performed, any term, covenant, or agreement under this Lease, and should such failure continue for a period of thirty days after the City's written notice to Lessee specifying the nature of such failure, then such event shall constitute a default under this Lease. Should any event of default occur, the City may elect to terminate Lessee's right of possession under this Lease, and, if such notice is given, all of Lessee's rights, title, and interest in the Property shall expire completely at the end of the thirty days or on such other date as the City may specify by written notice to Lessee. In the event of such termination, Lessee shall quit and surrender the Property, and any improvements erected on the Property, to the City. At any time after the termination of Lessee's right of possession under this Lease, the City may enter and possess the Property and any improvements thereon by summary proceedings or otherwise, and the City may remove Lessee and all other persons and property from the Property and any improvements thereon. The City, in such event, shall further possess the Property and any improvements thereon and shall assume the right to receive all rent, income, and profits from the Property and such improvements. If on the effective date of such termination, any improvements on the Property are not substantially complete, Lessee shall restore the Property to its condition prior to commencement of construction or shall complete construction of the improvements.

17.2 In the event of termination pursuant to Section 17.1, and in addition to its other obligations to the City under this Lease, Lessee shall be required to reimburse the City for all expenses that the City may incur for reasonable attorney's fees, brokerage commissions, and all other costs paid or incurred by the City for enforcing the terms and provisions of this Lease, restoring the Property and improvements thereon to good order and condition, and for maintaining the Property and the improvements thereon.

- 17.3 Lessee shall give written notice to the City of each collateral assignment of this Lease pursuant to Section 5.0 hereof and of the lender to which such assignment is given ("Development Lender"). Should the City give notice to Lessee under Section 17.1 hereof, the City shall provide a copy of such notice to each Development Lender of which it has received written notice from Lessee. The City agrees to accept payment from or performance by any such Development Lender in order to cure the noticed failure by Lessee provided the same is received or completed within forty-five (45) days following the date on which notice is sent to such Development Lender.
- 18.0 Surrender of the Property. On the expiration date of this Lease, or the earlier termination hereof, or any entry or possession of the Property and any improvements thereon by the City, Lessee shall promptly quit and surrender the Property and any improvements thereon, and deliver to the City actual possession and ownership of the Property and all improvements thereon in good order, condition, and repair and such improvements shall become the property of the City. Lessee shall have the right to remove from the Property and all improvements thereon all movable trade fixtures, movable equipment, and articles of personal property used or procured for use in connection with the operation of such improvements, provided that Lessee shall promptly repair, or cause to be repaired, any damage resulting to the Property or such improvements thereon by reason of this removal. Any trade fixtures, equipment, or articles of personal property of Lessee that remain at or on the Property after the termination of this Lease shall be deemed to have been abandoned by Lessee and may either be retained by the City as its property or disposed of by the City without accountability to Lessee for the value of these trade fixtures, equipment, or articles of personal property, or any proceeds derived from the sale of these items.
- 19.0 Holding Over. In the event that Lessee holds over and remains in possession of the Property with the consent of the City, that holding over shall be deemed to be from month to month only, and upon all of the same rents, terms, covenants, and conditions as contained herein.
- 20.0 Nonwaiver. The failure of either party to seek redress for violation of, or to insist on the strict performance of, any covenant, agreement, term, provision, or condition of this Lease shall not constitute a waiver of the same. No provision of this Lease shall be deemed to have been waived unless such waiver is in writing and signed by the party against whom the enforcement is sought.
- 21.0 Amendment. This Lease may be amended only by written instrument signed by both the City and Lessee.
- 22.0 Notices. All notices required by law or this Lease given by one party to the other shall be in writing by certified mail, return receipt requested. All such notices shall be addressed as follows:

To the City:

City Manager
City of Tallahassee
300 South Adams Street
Tallahassee, Florida 32301

With copies to: Director
Neighborhood and Community Services
City of Tallahassee
300 South Adams Street, Box B-27
Tallahassee, Florida 32301
and
City Attorney
City of Tallahassee
300 S. Adams Street, Box A-5
Tallahassee, Florida 32301

To Lessee: Renaissance Partners LLC
1208 Hays Street
Tallahassee, Florida 32301

Such addresses or individuals to receive notice may be changed from time to time by either party in writing served in accordance with this paragraph.

23.0 Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

24.0 Option to Purchase.

24.1 At any time during the fourth or fifth years of the Term, the City shall have the right, to be exercised at its option, to purchase the improvements located on the Property. The City shall give written notice to Lessee of its intent to exercise such option no less than one hundred twenty (120) days prior to date on which it desires to close on such purchase. The purchase price of such improvements shall be the agreed or appraised value, established in accordance with the following subsections, less the sum of (i) ten percent (10%) of such value and (ii) all amounts paid by the City to Lessee, as of the date of closing on such purchase, under that certain "CDBG Grant Agreement" between the parties of even date herewith; provided, however, that such purchase price shall be equal to or greater than whatever mortgage exists on the Property at the time the first certificate of occupancy is issued for such improvements. The value of any lease between the City and Lessee shall not be considered or included in determining the purchase price of such improvements.

24.2 Within ten (10) days following receipt by Lessee of such notice, the parties shall meet and attempt to either agree upon the purchase price of such improvements or agree to be bound by a purchase price equal to the appraised value as established by a mutually agreeable appraiser. If the latter method is used, the parties shall equally share the cost and expense of such appraiser.

24.3 Should the parties fail to establish a purchase price under Section 24.2 within sixty (60) days following receipt by Lessee of such notice, either party may thereafter give written notice to the other of its selection of an appraiser to participate in a binding valuation process. With ten (10) days after its receipt of

such notice, the other party shall similarly give notice of its selection of an appraiser. Within ten (10) days following the receipt of the latter notice, the two selected appraisers shall confer and select a third appraiser. The three appraisers shall then confer and shall establish the appraised value for the improvements, which value shall become the purchase price for the improvements and shall be binding on the parties, within sixty (60) days following selection of the third appraiser. The parties shall pay the fees and costs of their respectively selected appraisers and shall equally share the fees and costs of the third appraiser.

- 25.0 Captions and Paragraph Headings. Captions and paragraph headings contained in this Lease are for convenience and reference only and in no way define, describe, extend or limit the scope or content of this Lease nor the intent of any provision hereof.
- 26.0 Governing Law and Binding Effect. The interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida and shall bind, and the benefits and advantages shall inure to and be enforceable by, the parties and their respective successors and assigns, if any. Whenever used, the singular name shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
- 27.0 Integration. This Lease constitutes the whole agreement of the parties and there are no promises, terms, conditions, or other obligations in regard to the subject matter hereof other than those set forth herein. This Lease shall supersede all previous communications, discussions, representations, proposals, or agreements, either verbal or written, between the parties hereto and not contained herein.
- 28.0 No Third-Party Beneficiary. It is the intent of the parties hereto that this Agreement is solely among the parties hereto and no person or entity not a party to this Agreement shall have any rights or privileges hereunder as third-party beneficiary or otherwise.
- 29.0 Other Agreements. The parties hereby acknowledge that they have executed, will execute, or may execute other agreements relating to development of the Property, including the following: a certain "Agreement for Development of the Frenchtown Renaissance Center" dated July 10, 2003, terms and conditions of which are hereby incorporated by reference; a certain "CDBG Grant Agreement" dated July 10, 2003; and a certain City of Tallahassee Community Redevelopment Agency Grant Agreement. The parties further acknowledge and agree that any default under any such agreement shall be deemed a default under this Lease and shall entitle the non-defaulting party to pursue such remedies as may be available to that party under this Lease or otherwise.
- 30.0 Title to Improvements. Title to, and ownership of, all improvements constructed on the Property shall vest in City upon termination of this Lease.
- 31.0 Memorandum of Lease. Both City and Lessee agree that this Lease will not be recorded; however, the parties will execute a mutually agreeable Memorandum of Lease that shall be recorded in the Public Records of Leon County, Florida, prior to recording of any documents by Lessee and prior to recording of any documents relating to financing of improvements to be constructed on the Property.

IN WITNESS WHEREOF, the parties have caused this lease to be executed by their duly authorized representative effective the day and year first written above.

14

5
18

City of Tallahassee

Attest:

By: James O. Cooke III
Gary Herndon
City Treasurer-Clerk

By: Anita R. Favors
Anita R. Favors
City Manager

Approved as to form:

Ann Guild
City Attorney

APPROVED BY CITY COMMISSION
February 26, 2003

Signed, sealed and delivered
in the presence of:

[Signature]
Name: Regina M. Davis
[Signature]
Name: Regina M. Davis

Renaissance Partners LLC

By: [Signature]
Hurley B. Booth, Jr.
(Type or print name and title of signatory)

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Anita K. Ferris and David L. IV, as City Manager and Mayor of the City of Tallahassee, who are personally known to me and who executed the foregoing instrument, and who acknowledged before me that they executed the same, and who did not take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 10th day of July, 2003.



Ann J. Wild
MY COMMISSION # CC932448 EXPIRES
August 30, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Ann J. Wild
NOTARY PUBLIC
(Seal)

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Walter D. Booth Jr., as Managing Partner of Renaissance Partners LLC, who is personally known to me and who executed the foregoing instrument, and who acknowledged before me that he/she executed the same, and who did not take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 10th day of July, 2003.

Ann J. Wild
NOTARY PUBLIC
(Seal)



Ann J. Wild
MY COMMISSION # CC932448 EXPIRES
August 30, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

This instrument prepared by:
Patrick E. Hurley
Asst. City Attorney
300 South Adams Street, Box A-5
Tallahassee, Florida 32301

5
16
18

MEMORANDUM OF GROUND LEASE AND AGREEMENTS

THIS MEMORANDUM dated this 10th day of July, 2003, by and between the CITY OF TALLAHASSEE, a Florida municipal corporation ("City" herein), whose mailing address is City Hall, 300 South Adams Street, Tallahassee, Florida 32301, and RENAISSANCE PARTNERS, LLC, a Florida limited liability corporation ("Lessee" herein), whose mailing address is 1208 Hays Street, Tallahassee, Florida 32301.

WITNESSETH:

City and Lessee have executed, contemporaneously herewith, the following: a certain Ground Lease encumbering certain real property ("Property" herein) owned or leased by the City; a certain "Agreement for Development of Frenchtown Renaissance Center"; and a certain CDBG Grant Agreement (collectively, the "Project Agreements"). The Property is located in Tallahassee, Leon County, Florida, and is more particularly described Exhibit "A", which is attached hereto and by reference incorporated herein. The purpose of the aforementioned Project Agreements is to provide for construction, operation, and maintenance by Lessee of an office building and associated parking garage in accordance with those documents.

The Project Agreements are not being recorded among the Public Records of Leon County, Florida; however, copies of such documents, together with all amendments and modifications thereto, are being maintained in the office of the City Treasurer-Clerk located at City Hall, 300 S. Adams Street, Tallahassee, Florida 32301.

This Memorandum is being recorded to give constructive notice to third parties that City and Lessee have entered into the Project Agreements and that those documents impose or establish certain restrictions, obligations, or other covenants affecting the development and use of the Property. Such documents further provide, among other things, that construction, permanent, and other financing documents, including but not limited to construction loan agreements, mortgages, and security agreements, shall encumber only Lessee's leasehold interest in the Property, and that the fee interest and other rights of City, and other owners of the Property, shall not be affected by the terms of such financing documents. Prospective tenants, lenders, and other parties interested in the Property or improvements within the Property are advised to make such review of those documents as they deem necessary or appropriate.

EXECUTED at Tallahassee, Leon County, Florida.

Signed, sealed, and delivered
In the presence of

[Signature]
(1st Witness/Signature)
G.L. Monais
(Typed/Printed Name)
[Signature]
(2nd Witness/Signature)
Regina M. Davis
(Typed/Printed Name)

CITY OF TALLAHASSEE

By: [Signature]
Anita R. Favors
As Its City Manager

Attest:

By: [Signature]
Gary Herndon, City Treasurer/Clerk

Approved as to form:

[Signature]
City Attorney

RENAISSANCE PARTNERS, LLC

By: [Signature]
Hurley H. Booth, Jr.
As its Managing Member

[Signature]
(1st Witness/Signature)
G.L. Monais
(Typed/Printed Name)
[Signature]
(2nd Witness/Signature)
Regina M. Davis
(Typed/Printed Name)

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by ANITA R. FAVORS and GARY HERNDON, as City Manager and City Treasurer-Clerk, respectively, of the City of Tallahassee, a Florida municipal corporation, on behalf of said corporation, this 17 day of July, 2003, who are personally known to me.



Ann J. Wild
MY COMMISSION # CC932448 EXPIRES
August 30, 2004
BONDED THRU TROY PAIR INSURANCE, INC.

Ann J. Wild
NOTARY PUBLIC, State of Florida

(Typed/Printed Name)
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by HURLEY H. BOOTH, JR., as Managing Member of Renaissance Partners, LLC, a Florida limited liability corporation, on behalf of said corporation, this 17 day of July, 2003, who (X) is personally known to me; or () presented _____ as identification.

Ann J. Wild
NOTARY PUBLIC, State of Florida

(Typed/Printed Name)
My Commission Expires: _____



Ann J. Wild
MY COMMISSION # CC932448 EXPIRES
August 30, 2004
BONDED THRU TROY PAIR INSURANCE, INC.



**LEGAL DESCRIPTION FOR THE
FRENCHTOWN RENNAISSANCE CENTER**

All of those parcels described in Official Record Book 1227, Page 1904, Official Record Book 1952, Page 1797, Official Record Book 1227, Page 1903, Official Record Book 2098, Page 1904, in Official Record Book 2568, Page 241, Official Record Book 2568, Page 243, Official Record Book 2566, Page 2175, Official Record Book 2566, Page 2125, and Official Record Book 2479, Page 552 of the Public Records of Leon County, Florida, and that parcel leased by the City of Tallahassee from Carrie B. Hoffman, said property being more particularly described as follows:

BEGIN at the northwest corner of that property described in Official Records Book 1227, Page 1904; thence, along the southerly right-of-way boundary of Carolina Street, North 89 degrees 54 minutes 50 seconds East 130.27 feet to the northeast corner of said Official Record Book 1227, Page 1904 and the northwest corner of that parcel referenced as Official Records Book 2568, Page 241; thence continue North 89 degrees 54 minutes 50 seconds East, along said southerly right-of-way boundary, 242.37 feet to the northeast corner of that parcel referenced as Official Records Book 2566, Page 2125; thence South 00 degrees 20 minutes 16 seconds East 169.96 feet to the southwest corner of said parcel last referenced; thence, along the southerly boundary line of said parcel last referenced, South 89 degrees 48 minutes 03 seconds West 101.26 feet to the northeast corner of that parcel referenced as Official Records Book 2479, Page 552; thence, along the easterly boundary line of said parcel last referenced, South 00 degrees 10 minutes, 20 seconds West 170.42 feet to the southeast corner of said parcel last referenced and on the northerly right-of-way boundary of Virginia Street; thence, along said northerly right-of-way boundary, South 89 degrees 55 minutes 15 seconds West 60.50 feet to the southwest corner of said parcel last referenced and the southeast corner of that parcel described in Official Record Book 1227, Page 1903 of said Public Records; thence, along said northerly right-of-way boundary, South 89 degrees 55 minutes 54 seconds West 210.93 feet to the southwest corner of said parcel described in Official Record Book 1227, Page 1903 lying on the easterly right-of-way boundary line of Macomb Street; thence, along said easterly right-of-way boundary line, North 00 degrees 04 minutes 07 seconds West 340.48 feet to the **POINT OF BEGINNING**; containing 2.52 acres, more or less.

Bearings for this description are based on previous surveys, which were based on the City of Tallahassee City Atlas Sheets.

This description is based on a compilation of documents of Public Record, a 99-year lease between the City of Tallahassee and Carrie B. Hoffman and previous surveys of the subject property.

This description is intended for the sole purpose of showing the total acreage of the Frenchtown Renaissance Center P.U.D. No other use is intended.

A title opinion or abstract of matters affecting title or boundary of the subject property has not been provided the undersigned. It is possible there are deeds of record, unrecorded deeds, easements or other instruments, which could affect the boundaries.